

Comptroller
R.H.
3/29

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REPORT TO
THE CONGRESS OF THE UNITED STATES

REVIEW OF
EMPLOYEES' AIR TRAVEL
AUTHORIZED BY THE WASHINGTON OFFICE
VETERANS ADMINISTRATION



BY
THE COMPTROLLER GENERAL
OF THE UNITED STATES

APRIL 1963

4/30/63-

1-Budget Division; O/Finance Division; Finance/OSL; Ac/Fiscal;
Fiscal/Travel Branch; TAS

1-DOB; SSA/DOB; O/Personnel. DOB: [REDACTED]

STATINTL



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

B-146731

APR 22 1963

To the President of the Senate and the
Speaker of the House of Representatives

Herewith is our report on the review of employees' air travel authorized by the Washington office of the Veterans Administration.

Our review disclosed that first-class accommodations were being authorized for about one third of the air travel performed by employees of the Washington office of the Veterans Administration, although other suitable and less costly accommodations could have been utilized. This practice is contrary to the policy pronouncements that have been issued by the Bureau of the Budget and the Veterans Administration as a result of interest in the matter by the Committee on Appropriations, United States Senate.

Our review disclosed also that, in many cases, travelers certified to the necessity for the use of first-class accommodations by using a standard certification or a slight variation thereof which, under the circumstances, could not have been applicable.

We proposed to the Administrator of Veterans Affairs certain actions to be taken to reduce the authorizations for first-class air travel and to obtain factual certifications of the reasons for first-class air travel when such travel is deemed necessary. The Veterans Administration subsequently issued a memorandum to its officials pointing out the aforementioned deficiencies and emphasizing corrective action.

Copies of this report are being sent to the President of the United States and to the Administrator of Veterans Affairs.

A handwritten signature in black ink, appearing to read "Ralph Campbell".

Comptroller General
of the United States

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REPORT ON REVIEW
OF
EMPLOYEES' AIR TRAVEL
AUTHORIZED BY THE WASHINGTON OFFICE
VETERANS ADMINISTRATION

INTRODUCTION

The General Accounting Office has made a review of employees' air travel authorized by the Washington office of the Veterans Administration (VA). The review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Our review consisted of an analysis of the airline accommodations for which payment was made during the months of March and August 1962 and the related travel vouchers submitted by personnel of the Veterans Administration Central Office in Washington, D.C., (VACO) using first-class accommodations.

The principal officials of Veterans Administration concerned with the subject matter of this report are listed below.

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
ADMINISTRATOR OF VETERANS AFFAIRS:		
John S. Gleason, Jr.	Feb. 10, 1961	Present
DEPUTY ADMINISTRATOR:		
W. J. Driver	Feb. 23, 1961	Present
MANAGER, ADMINISTRATIVE SERVICES:		
E. J. Gorman	Dec. 1, 1961	Present

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
CHIEF, CENTRAL OFFICE, FINANCE DIVISION:		
H. R. Owsley	May 3, 1959	Feb. 10, 1963
A. C. Ashby	Feb. 17, 1963	Present

BACKGROUND

In commenting on an appropriation used by the Bureau of the Budget for studying management problems in the executive branch, the Senate Committee on Appropriations, in Senate Report 422, dated June 22, 1959, stated:

"*** It is the hope of the committee that one practice which will receive attention in such a study is that of correcting the use of first-class or deluxe air transportation almost exclusively for Federal employees and military personnel traveling by air. We believe that substantial savings in the cost of Government travel could be effected by greater use of air coach and similar economy classes of air travel. Air coach travel now counts for more than 50 percent of commercial air travel, and we see no justification for the general use of a class of air transportation which is more expensive than that chosen by the average air traveler." (Underscoring supplied.)

As a result of a study on this matter, the Bureau of the Budget on May 16, 1960, issued a revision to Circular No. A-7, which amended the Standardized Government Travel Regulations. The principal purpose of the revision was to encourage increased use by Government travelers of airplane accommodations designated as "air coach," "air tourist," and the like which are usually much less costly than accommodations designated as "first-class." The revision did not prescribe the use of less-than-first-class accommodations on a mandatory basis but urged travelers to use less costly facilities where possible and assigned to individual travelers and agencies the ultimate responsibility for the decision as to the type of accommodations to be used.

The statement of VA policy on air travel in VA Circular 60-6, dated July 8, 1960, and in Veterans Administration Manual MP-1,

part II, chapter 2, paragraph 201.06L (2), is generally consistent with the provisions of Circular No. A-7 issued by the Bureau of the Budget. The policy statement provides that less-than-first-class accommodations shall be used except when such accommodations will not meet the traveler's essential requirements for keeping appointments and making connections with other scheduled transportation, speed, comfort, safety, or similar factors.

The Bureau of the Budget in Bulletin No. 63-7, dated October 10, 1962, again emphasized the importance of avoiding the use of first-class air accommodations for official travel and requested the head of each department and agency "to issue new and clear instructions placing strong emphasis on the responsibility of officials and employees to avoid the use of first-class air accommodations when more economical transportation will serve the Government's needs adequately."

FINDINGSEXTENSIVE USE OF FIRST-CLASS AIR ACCOMMODATIONS

Our review disclosed that a considerable number of first-class accommodations were being authorized by VACO, although other suitable and less costly accommodations could have been utilized.

Our review showed that the following classes of accommodations were authorized for the transportation requests applicable to vouchers paid by VACO during March and August 1962, for airline travel by Central Office employees:

Total trips	Class of accommodations authorized					(note a)
	First class--where less costly accommodations were offered	Number of trips	Percent	First class offered	Coach, tourist, etc.	
Mar. 1962	243	80	32.9	32	78	53
Aug. 1962	404	142	35.1	39	129	94
	647	222	total 293	71	207	147

^aFirst-class accommodations for part of trip; coach, tourist, or other less-than-first-class accommodations for remainder of trip.

Our examination of individual travel vouchers disclosed that a number of the trips were made to such principal cities as New York, Boston, Chicago, Dallas, Detroit, and San Francisco to which less-than-first-class accommodations were offered by airlines. Furthermore, first-class accommodations were used in many instances when both types of accommodations were offered in different sections of the same plane. We estimate that the differential in cost between first-class and less-than-first-class accommodations to cities such as those mentioned ranged from 14 to 28 percent.

While particular situations may arise which necessitate the use of first-class accommodations, our review indicated that in many cases the use of first-class accommodations was unnecessary. Airline transportation costs of Veterans Administration Central Office employees for March and August 1962 were about \$23,000 and \$46,000, respectively.

In consideration of the substantial sums of money being expended on travel and the extensive use of first-class airline accommodations, we proposed to the Administrator of Veterans Affairs that he provide for more effective compliance with the requirement that less-than-first-class airline accommodations be used by all VA personnel, except when such accommodations are not obtainable to meet travel requirements effectively and economically. We proposed further that it be required that, where possible, airline reservations be made sufficiently in advance of the dates of travel to assure that less-than-first-class accommodations will be available.

IMPROPER CERTIFICATIONS OF THE NEED
FOR FIRST-CLASS ACCOMMODATIONS

Many travelers certified to the necessity for the use of first-class accommodations by using a standard certification or a slight variation thereof which, under the circumstances, could not have been applicable.

The standard certification extracted from the VA manual reads as follows:

"I certify that when reservations were made less-than-first-class accommodations would not meet my requirements for meeting appointments."

This certification or a slight variation thereof with similar meaning was used on 45 travel vouchers applicable to transportation charges billed in March and August 1962 even though less-than-first-class accommodations were offered on the same plane on which the traveler used first-class accommodations. In such cases the certification is improper because the class of accommodations used on the plane could have no effect on the travelers' requirements for keeping appointments. In addition, these certifications were used in several cases to justify first-class accommodations where lower cost shuttle service was available within an hour before or after the time of departure of the plane used by the traveler.

We believe that certifications justifying the use of first-class accommodations in lieu of less-than-first-class accommodations should factually recite the reasons for using such accommodations so that an evaluation of the propriety of the use can be made prior to payment of expenses to the traveler.

In view of the use of improper certifications to justify the use of first-class airline accommodations, we proposed to the Administrator of Veterans Affairs that he issue instructions that all certifications must be factual in relating the circumstances requiring the use of first-class accommodations and that the amount claimed on travel vouchers lacking such certifications be appropriately adjusted.

In a letter dated January 24, 1963, the Deputy Administrator advised us that all department heads and top staff officials would

be advised of the need for factually and specifically stating the reason for use of first-class airline accommodations.

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On January 28, 1963, the Deputy Administrator of Veterans Affairs issued a memorandum to department heads and top staff officials advising them of the deficiencies commented on in this report. The memorandum emphasized that VA policy essentially is to "Authorize air travel at the lowest cost available." It emphasized also that certifications justifying first-class air travel should be factual and specific and that all certifications must be carefully evaluated by voucher examiners of the Central Office, Finance Division, prior to payment to the traveler of the amounts claimed.

Approved For Release 2001/03/02 : CIA RDP78A05548A000100080003-9

**CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP**

TO	NAME AND ADDRESS	INITIALS	DATE
1	Acting Director of Finance 6E-69 Headquarters	GFB	3/31/64
2			
3	Director of Finance 6E-69 Headquarters	AHS	4/9/64
4	DOC 3 REV DATE 76-10-81 BY 006100 ORIG COMP M PAGES 38 REV CLASS 1 ORIG CLASS M	01	
5	JUST	NEXT REV	AUTH: HR 70-2
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

Remarks: 1. Per the request at the Staff Meeting on 26 March 1964, we have compared data in the attached report with Agency data.

2. Summary data for the Agency on class of air accommodations utilized as reflected in the final report prepared on this subject covering the period 13 November 1962 to 30 September 1963 compared with data in the attached report for a two-month period is as follows:

	Agency	V.A. Report
First class only	19.4 %	45.3 %
Less than first class only	53.8 %	32.0 %
Mixed	26.8 %	22.7 %
Total	100.0 %	100.0 %

FOLD HERE TO RETURN TO SENDER

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
Policy and Systems Staff 6-D-57 Hdqrs. of Finance	3/31/64
or Release 2014/03/02 : CIA-RDP70B05548A00010008	CONFIDENTIAL
ALL INFORMATION CONTAINED	

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3. The attached report is for retention in
your files as we already have one *and had this*
some time ago.

STATINTL

[REDACTED]
[REDACTED]
Chief, Policy and Systems Staff

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